

AQO

MEMORANDUM FOR RECORD

SUBJECT: AQO Staff Meeting Minutes, July 26, 1996

NEW STATUTORY REQUIREMENT FOR PAYMENT BY EFT. Director, Defense Procurement Memorandum dated Jul 25, 96, contains the statutory requirement that certain contract payments be made by Electronic Funds Transfer (EFT) under most new contracts resulting from solicitations issued on or after Jul 26, 96. Contracting officers should include the clause at FAR 52.232-28, EFT Payment Methods, in all solicitations issued on or after this date and in certain resulting contracts. Also, contracting officers shall ensure that an assigned code, indicating an EFT payment, is affixed to those awards. The absence of contractual EFT terms does not waive this statutory requirement.

DCMDW CHANGE OF COMMAND. On Jul 25, 96, CAPT Bob Ketts, USN, relinquished command of DCMDW to Col Stu Johnson, USAF. We wish CAPT Ketts and his family good luck in his new assignment as Commander, DCMC United Kingdom. We welcome Col Johnson and his family back to DLA.

DLA LIBRARY DEDICATION. On Aug 2, 96, VADM Straw will dedicate the new Karl Kabeiseman Library. All personnel are invited to "people the atrium rails" at 1600. The day will be marked by the presence of former DLA Directors and Deputy Directors.

SINGLE PROCESS INITIATIVE (SPI).

- o We have received 244 concept papers from 82 contractors proposing 294 processes. Twenty contractors have modified 63 processes.
- o Lockheed Martin, Government Communications Systems, Camden, NJ, and the local DCMC ACO signed a block change modification. This modification replaced MIL-Q-9858 with ISO 9001 for all applicable contracts.
- o GE Aircraft Engines, Cincinnati, OH, and Lynn, MA, and the local DCMC ACO signed their third block change modification. This modification also replaced MIL-Q-9858 with ISO 9001 for all applicable contracts.
- o James Bauer will be addressing DLA Counsel's Conference on July 31 in Chantilly, Virginia.

CUSTOMER SUPPORT TEAM (AQOA).

o o During a recent visit to Aviation Troop Command (ATCOM), Mr. Thurber was informed by Mr. Harold Mabry, the ATCOM Acquisition Center Director, of a number of concerns that ATCOM has with DCMC's performance regarding preaward surveys, customer priority lists (CPL), and contractor surveillance in general. On 24 Jul 96, Mr. Mabry's Deputy, Mr. Cline, and Mr. Tappel, Chief, Production Management Division, met with DCMC HQ staff to discuss ATCOM's issues in further detail.

oo Preaward Surveys: ATCOM says the average timeliness of their DCMC preaward surveys is 32 days. DCMC originally raised ATCOM's expectations by saying that the goal is a 5 to 7 day turnaround, however, ATCOM is willing to accept a 14 to 21 day turn around if they get a quality product. Further, contractor past performance is not being adequately addressed by DCMC. ATCOM's concerns: Availability of personnel to conduct preaward surveys; skill levels of industrial specialists; and from a customer perspective, problems in dealing with the DCMC "Storefront" in the West. ATCOM's expectation: Would like to see timeliness improve, but more than that, would like to draw more focus on putting better past performance data in preaward surveys. ATCOM will be invited to participate on the DCMC Preaward Survey Working Group which will look at ways to improve the preaward survey process.

oo CPL: Onsite level 1 surveillance is not being routinely provided on Army readiness items. The lack of in-plant expediting, monitoring and follow-up on these parts by DCMC has resulted in lost opportunities and increased costs for the Army. The ATCOM expectation has been that this level of surveillance was to be provided by DCMC, but they estimate that it is only being provided 50% of the time. All parties agreed that CPL items were expected to receive in-plant (not telephonic) surveillance. Bottom Line: The current DCMC emphasis on improving CPL timeliness is good, but if the quality of the product does not meet the customer's requirements, the extra effort is in vain. ATCOM will be invited to attend a DCMC CPL conference in Boston on Sep 10, 96, to explore the possibility of using the alerts tool to improve the overall CPL process.

oo Contractor Surveillance: In addition to Preaward Surveys and CPLs, ATCOM would like to see more comprehensive coverage and emphasis provided by DCMC in the area of property administration. ATCOM recognizes that disposal of excess Government property is a huge problem DoD-wide and recommended a Command-wide initiative to begin to purge excess property from the inventory. DCMC will conduct a special review at 20 selected contractors during the period August 15 through September 30, 1996 to determine if these contractors are retaining

large amounts of excess Government property. If the reviews show these contractors are in fact retaining large amounts of excess property, we will evaluate why this is happening and initiate efforts within DCMC to dispose of excess property. These efforts will include asking for OSD and Military Department assistance in ensuring that Procuring Contracting Officers/Program Managers are not arbitrarily retaining Government property without a thorough analysis of its need for current and/or future contracts. In addition, DCMC has three members on the FAR Part 45 rewrite team, chaired by Mrs. Spector, Director, Defense Procurement, who are leading our efforts to streamline the plant clearance process to ensure timely disposal of excess property. The FAR Part 45 is also strengthening the language to prohibit the furnishing of property not required for contract performance to include not providing commercially available items, equipment, or computer software. We are also initiating efforts to determine both the direct and indirect costs of providing and retaining Government property at contractor plants. Upon finalizing this project, we will provide this cost data to the Military Departments and OSD so they can use it to determine if the cost of providing Government property is more costly than requiring contractors to provide their own property.

Mr. Cline and Mr. Tappel both expressed their appreciation for the opportunity to establish a dialog with the DCMC HQ staff and further expressed a desire to continue to work with the command to resolve their outstanding issues.

FLIGHT OPNS/SPECIALIZED SAFETY/ENVIRONMENTAL TEAM (AQOI).

- o LtCol Jim McNulty will be TDY 30 July thru 2 August for a training site visit to DCMD West. Purpose of the visit is to become more familiar with the west coast operation. Also planned on the trip will be a visit to the C-17 Govt Flight Rep (GFR) office.
- o LtCol Mike Falvey will be TDY attending the USAF Accident Investigation course at Kirtland AFB, NM, 29 July thru 9 August.

WORKFORCE STRATEGY TEAM (AQOJ).

- o The latest edition of the One Book was completed July 12, 1996. Our official DCMC Home Page update is the WIN1Book Version 2.0 dated Jun 96, presently awaiting home page posting. Revised content will show a revision date (Jun 96) at the top of their respective screens. DASC will also be loading the DLAPS CD Version Jul 96, which will be in sync with our home page update.

- o Quarterly updates are planned for our DCMC Home Page One Book. The cycle will be Jan, Apr, Jul, Oct. The cutoff date for updates is the 1st of the month prior to the posting month, i.e., 1 Dec for Jan, 1 Mar for Apr, 1 Jun for Jul, and 1 Sep for Oct.

- o The cutoff date for updates to the Oct 96 DCMC Home Page One Book is Sep 1, 96 to AQOJ, Carol Collins. Each update must be provided on a disk in MS Word format. MS Word is the new standard word processing software. We are presently researching the best flowcharting software to facilitate converting to pdf format for home page posting. All coordinations on DLA Form 96 must be accomplished prior to submission to AQOJ and should be attached to the disk. The DLA-CAHS (Union) coordination is considered mandatory. Chapter policy owners should also keep master copies of their submissions.

OVERHEAD CENTER (AQOK).

- o On July 31, Frank Wojtaszek will be speaking on overhead center initiatives and issues at the annual DLA Counsel Seminar. Also, on July 31, Bill Hill will be a panel member at the Professional Services Council's Best Practices Forum. Other panel members include: Bob Morales, Manager, Government Accounting Policy, Hughes Electronics; Lou Becker, Defense Corporate Executive, DCMC; and Curtis Hagan, Program Manager, Defense Contract Audit Agency (DCAA). The panel will discuss the process used by a joint industry/Government working group to recommend policy improvements in the area of contractor restructuring.

OFFICE OF GENERAL COUNSEL (GC).

- o The annual DLA Legal Counsels Seminar will be held at Westfields Conference Center, Chantilly, VA July 29-August 1, 1996.

CONTRACTOR CAPABILITY & PROPOSAL ANALYSIS TEAM (AQOD).

- o Mike Williams briefed attendees at the DoD Industrial Analysis Workshop held in Dayton, OH, July 24-25. Steve Swart also participated in the workshop.

- o Mike Williams is briefing IPT Pricing to DCMC New York on July 26. This briefing completes Headquarters briefings on this subject. Remaining offices will be brought up to speed by video (production of the IPT Pricing video, shot July 12 in Boston, is being expedited) or by a briefing from the DCMD IPT Pricing Focal Points.

- o Don Reiter visited three Parametric Cost Estimating Reinvention Laboratory sites (ECI, St Petersburg, Lockheed Martin Orlando and

Lockheed Martin Fort Worth) on July 22-24 meeting with DCMC, DCAA and contractor representatives to discuss progress made on this initiative. Visits to the remaining two sites (eight sites were visited in June) are planned for August.

- o Dave James attended the Air Force/Industry Acquisition Reform Conference held July 23-24 in Westford, MA. He reported that Early CAS preaward teaming/IPT Pricing was highlighted during the conference as a proven method for reducing acquisition lead time.

APPROVED:

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